

Article - Tax - General

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§13–702.

(a) Except as provided in subsections (b) and (c) of this section, a tax collector shall assess a penalty not exceeding 25% of the amount underestimated, if a person who is required to estimate and pay financial institution franchise tax, public service company franchise tax, or income tax under § 8-210(b), § 8-405(b), or § 10-902 of this article:

(1) fails to pay an installment when due; or

(2) estimates a tax that is:

(i) less than 90% of the tax required to be shown on the return for the current taxable year; and

(ii) less than 110% of the tax paid for the prior taxable year, reduced by the credit allowed under § 10-703 of this article.

(b) A penalty may not be assessed on the underestimation of individual income tax if:

(1) at least 90% of the individual's taxable income is also taxable by another state; and

(2) the underestimation is of the county income tax only.

(c) A tax collector may not assess a penalty on unpaid individual income tax under subsection (a) of this section if the amount of unpaid income tax is less than one-half the amount specified in § 6654(e)(1) of the Internal Revenue Code.

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